

MINUTES OF THE MEETING OF THE CITY COUNCIL

Wichita, Kansas, March 25, 2003
Tuesday, 9:00 A.M.

The City Council met in regular session with Mayor Knight in the Chair. Council Members Brewer, Fearey, Gale, Lambke, Martz, Pisciotte, present.

Chris Cherches, City Manager; Gary Rebenstorf, Director of Law; Pat Graves, City Clerk; present.

Ashok Aurora, Hindu, gave the invocation.

The pledge of allegiance to the flag was participated in by the Council Members, staff, and guests.

Minutes -- approved

The Minutes of the regular meeting of March 18, 2003, were approved 7 to 0.

UNFINISHED BUSINESS**WATERWALK****WATERWALK REDEVELOPMENT PROJECT PLAN.**

(Continued from March 18, 2003)

Allen Bell

Financial Projects Director reviewed the Item.

Agenda Report No. 03-0259A

In 1995, the City Council took the necessary legal steps to establish the East Bank Redevelopment District for the purpose of generating tax increment financing for public improvements located within the district. The action taken by the City Council set 1995 as the base year, from which the increase in property tax revenues (the tax increment) will be measured. On June 18, 2002, the City Council adopted an ordinance reducing the boundaries of the Redevelopment District. The new boundary of the Redevelopment District includes Douglas Avenue to Kellogg Street and from Main Street to McLean Boulevard. The project area is from Kellogg Street to Waterman Street and from Main Street to McLean Boulevard. This Item has been brought forward for City Council consideration from the March 18, 2003, City Council meeting.

For the County Treasurer to be authorized to set aside the increment of increased property tax revenues collected within the Redevelopment District, the City must adopt a redevelopment project plan that describes the district and the projects being financed with TIF revenue to finance the TIF-eligible improvements. On February 11, 2003, the City Council adopted a resolution stating it is considering the adoption of the Redevelopment Project Plan and directed notice be given that a public hearing would be held on the matter on March 18, 2003.

State law directs the City to prepare the redevelopment project plan "in consultation with the planning commission of the city." On March 6, 2003, the Wichita-Sedgwick County Metropolitan Area Planning Commission met to consider the WaterWalk Redevelopment Project Plan and found that the Plan is consistent with the general comprehensive plan for development of the City.

The financial feasibility study contained in the Redevelopment Project Plan examines the projected change in assessed valuation of the property located within the East Bank Redevelopment District from the base year (1995) to the year in which planned redevelopment projects will be fully reflected in the

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 470

County's database of property values (2009). The following table summarizes the revenue side of the analysis:

	<u>1995 Base Year</u>	<u>2009 Projected</u>
Appraised Value	\$4,596,440	\$ 6,945,000
Assessed Value	\$880,075	\$ 7,113,175
Captured Value		\$ 6,223,100
2002 Mill Levy		\$ 113,960
Annual Tax Increment		\$ 2,135,529

The analysis assumes that only those projects which are currently planned will be constructed, that assessed property values in the district will remain unchanged once the planned developments are completed, and that the City/County/School District mill levy will not increase or decrease. The analysis shows that the stream of projected tax increment revenues, together with anticipated parking revenues is sufficient to retire the principal and interest on a \$22 million general obligation tax increment bond issue over a fifteen-year period at current interest rates. The balance of the project costs will be financed by general obligation bonds paid from general property tax revenues as provided for in the Capital Improvement Program.

The plan for redevelopment of the East Bank area includes a private mixed-use commercial and residential development that incorporates a meandering public waterway system. The private development will include office buildings, entertainment, lodging, retail, and restaurant establishments located throughout the Project and residential units including apartments and high-end condominiums. Tax increment financing is one of several sources of financing within the Project Area, which also include developers' debt and equity funds, parking revenues and citywide property taxes.

USE OF TAX INCREMENT FINANCING:

Upon adoption of the redevelopment project plan, the City will have established its authority under state law to issue general obligation bonds to finance the TIF-eligible improvements, which bonds will be repaid from the incremental increase in property taxes resulting from the redevelopment of the Project Area, from parking revenue generated by the project and by City funds programmed in the approved Capital Improvement Program. The TIF-eligible improvements consist of the following:

Public parking facilities	\$ 8,150,000
Waterway improvements	14,100,000
Streetscape improvements	800,000
Land acquisition	4,900,000
Design/engineering costs	<u>2,150,000</u>
Total TIF-eligible costs	\$30,850,000

It is anticipated that the projects funded with tax increment financing will be financed with full faith and credit tax increment bonds. In the event that tax increment revenues fall short of projections, City-at-large funding will be required to supplement tax increment revenues.

The Law Department drafted the attached ordinance, which is required for the adoption of a redevelopment project plan under the state tax increment financing statutes. The notice for a public hearing on the City's intent to adopt the redevelopment plan has been given pursuant to law. In order to adopt the redevelopment plan, the City Council must approve the Ordinance by a two-thirds majority. Once adopted, the City Clerk must forward copies of the Ordinance to the County Clerk, County Treasurer and County Appraiser.

Allen Bell

Financial Projects Director, responding to questions, said the design of the project has changed only slightly. The developers, working with the architect, have continued to "tweak" the site plan and other components of the project. Pending State Legislature approval of Star Bonds, the project is now the same as first introduced in December. The over-all scope of the project is as approved by Council, and it is still at or under budget.

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 471

- Gary Rebenstorf Director of Law said terms of the developer agreement state that the City is obligated to go forward once notice is given that the project is to go forward. Up to City Council to determine how to be funded. There is obligation to go forward with public improvements.
- Council Member Lambke Council Member Lambke expressed fear that the future holds constant changes to the plan. Fiduciary responsibility is reason for his vote against project.
- Ray Trail Director of Finance reviewed and said there are no changes to the anticipated obligations to provide approximately \$30.9 million to the project. The same is for Item No. 4.
- Council Member Lambke Council Member Lambke said there may not be any dollar change but there may be some effect on the people living along that street.
- Mayor Knight Mayor Knight said he didn't know of any project that was ever done of any scope that does not have some problems. Mayor Knight said he has worked on the Downtown Core Area project for 13 to 14 years, and he asked all for support of the project.
- Council Member Brewer Council Member Brewer said there have been numerous reasons said why this project cannot be supported. It is just simple common sense to approve the project. Streets are blocked every day on projects approved by the Council.
- Motion -- Brewer moved that the public hearing be closed and the Ordinance adopting the Waterwalk Project be placed on first reading.
- Council Member Lambke Council member Lambke stated when he first heard about the project, that TIF was a major part of the public funding; also that he has voted twice before against the project. Now we are at the end of the road and have to vote on TIF. Has a question why the contract has no wording in it about TIF financing.
- Knight appealed again for support of the project.
- failed Motion failed 4 to 3. Council Members Gale, Lambke, Martz – No.
- Council Member Pisciotte Council Member Pisciotte said the Council will now have to come up with some other form of financing; and the Council will still be liable to the contract if the project is later killed.
- Council Member Gale Council Member Gale said at the March 25th meeting he asked for a deferral until more information on the Star Bonds was known.
- Ray Trail Director of Finance said the plan of finance on this project allocated dollars in the CIP and TIF and parking revenues in the development itself. It is the development itself that pays those project costs.
- Council Member Lambke Council Member Lambke said also \$8 million of general fund tax revenues, and if not enough in the TIF, would use the general fund tax revenues.
- Council Member Martz Council Member Martz stated he still has a number of questions and concerns about all of the financing. Had asked developers for additional information this week and was told that he would receive information prior to today's meeting, but still had not received information. If the State passes Star Bond financing – could use that mechanism. Until those answers received, will remain against the project.

Mayor Knight left the Bench; Vice Mayor Martz in the Chair.

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 472

AVIATION MUSEUM REQUEST FROM KANSAS AVIATION MUSEUM FOR FUNDING ASSISTANCE.

(Continued from March 18, 2003)

Chris Cherches

City Manager reviewed the Item.

Agenda Report No. 03-0267A

This item was discussed at the March 18, 2003 City Council meeting. At that time, the Council deferred action and directed that funding options be provided to the City Council should it be determined that the City should provide matching funds to acquire the \$630,000 renovation grants previously approved by the State.

Through the efforts of the City, the Kansas Aviation Museum received approval for two grants totaling \$630,000. One of these grants required a match of \$120,000 allowing for a total of \$750,000 to be applied toward renovation work at the City-owned historic terminal building at 3350 George Washington Blvd. The Aviation Museum assumed the responsibility of soliciting funding to obtain the required \$120,000 match. However, to this date, the Board has been unsuccessful in obtaining any matching funding placing the \$630,000 grants in jeopardy.

One of the earlier options was to seek support from Sedgwick County. However, the County is not able to take on the additional burden because, like the City of Wichita, it is faced with significant reductions in the budget due to the economy and elimination of state funding support. The Museum Board is seeking this matching amount from the City of Wichita or face losing the state grants.

The City Council has the authority to allocate such spending assistance. The City owns the building and has leased it to the Kansas Aviation Museum.

The Board is responsible for the maintenance and upkeep of the facility. Recently, this property was annexed to the City.

Agenda Report 03-0267 (March 18th) provided several options to the City Council for consideration, should it be desired to participate in this funding. These included having the Museum Board seek assistance from the County or other sources within the community to share the burden of the total \$120,000 amount; or seeking a loan or grant. The City Council asked for additional and possible options as to how the City might fund this matching grant.

Like the County, the City is still continuing to find ways to reduce costs to balance its current budget; therefore, the number of options are very limited unless the City Council chooses to utilize CDBG money or General Fund reserves. At the request of the Council, the following options are provided:

1. Reject funding support.
2. Approve a loan (or grant) from the Historic Preservation (commercial/residential) CDBG loan program.
3. Allocate the \$120,000 (or part of it) from the General Fund Reserve account.
4. Adopt a bonding resolution and debt finance the costs, requiring funding from the CIP.

Chris Cherches

City Manager said he had contacted the County Manager. The County has decided that because of other needs and that the County has not funded this before, they cannot fund this particular request.

Ray Wyatt

President of the Board of the Kansas Air Museum said any money will allow the Museum to go forward. The Board would accept the loan. This is probably the best effort the Board has to do something for City to promote museum.

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 473

- Motion -- Fearey moved that City Council approve loan from Historic Preservation Loan CDBH with consideration of two-year deferral of payment.
- Council Member Pisciotte Council Member Pisciotte asked about provision for forgivable loan. Possible stipulation that with certain provisions the loan could be forgiven.
- Chris Cherches City Manager stated that City Council has authority to allocate CDBG funds if requirements are met. If City Council wants, at later date, it can implement forgiveness of any part of loan.
- carried Motion carried 6 to 0. Mayor Knight temporarily absent.

NEW BUSINESS

FAÇADE IMP.

FAÇADE IMPROVEMENT PROGRAM REVISIONS.

Mayor Knight present and in the Chair.

Tom Smith Grants-in-Aid Coordinator reviewed the Item.

Agenda Report No. 03-0317

On March 20, 2001, the City Council approved the Facade Improvement Program. The Facade Improvement Program is designed to provide low-cost loans to enhance the visual aesthetics in the downtown area and provide an incentive for businesses to improve their property. The program provides low interest, fifteen-year loans for facade renovation for owners and tenants for buildings with frontage on Douglas Avenue from Seneca to Washington. City assistance is in the form of a five-year forgivable loan up to \$15,000 per visible facade for a maximum of two building sides, or 25% of the project cost, whichever is lower. The owner finances the remainder of the project cost through a fifteen-year special assessment at the City's cost of funds. The owner must sign a special assessment petition and a facade easement in favor of the City for the term of the special assessment and agree to maintain the facade.

The Facade Improvement Program was originally intended for smaller properties (two to three story structures) along Douglas Avenue. However, the City has received enough Facade Improvement Program applications from large, high-rise building owners to warrant further review of the Facade Improvement Program guidelines.

The City recently received an application from the Garvey Center requesting special assessment financing under the Facade Improvement Program for four (4) buildings. City special assessment financing is requested for three sides of the following buildings: OW Garvey Building, 200 West Douglas; Douglas Place, 250 West Douglas (former Holiday Inn); and RH Garvey Building, 300 West Douglas. The Garvey Center is requesting special assessment financing for only one side of the one-story Kiva building located at 220 West Douglas. The Garvey Center is not requesting a forgivable loan.

The Garvey Center is asking for the waiver of the two building side limit on the basis that three sides of the buildings are visible from Douglas Avenue.

The total project cost for the four buildings is \$1,120,475 and is comprised of the following:

Exterior Coating	\$ 427,634
Landscaping	\$ 77,126
Replace Window Wall	\$ 570,215
Signage Replacement	\$ 45,400
Total	\$1,120,475

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 474

The work entails repainting most of the four buildings, changing out the spandrel and glass in the former Holiday Inn to give the building a look similar to City Hall and the Olive W. Garvey Building and landscaping on three sides of the main buildings. Financing for the project would be as follows:

Private Financing	\$ 280,119
Applicant Special Assessment	<u>\$ 840,356</u>
Total	\$1,120,475

In addition, the Garvey Center has invested, or will invest, an additional \$2,163,000 in private funds for renovation of the buildings.

The monument sign replacement for \$45,500 is not eligible under the Facade Loan Program since it is not an integral structural fixture of the buildings. Staff obtained concurrence of the Development Coordinating Council for the project without the signage (\$45,400) and the landscaping (\$77,000). Although landscaping was listed as an eligible item in the original program, the Department of Law has indicated that such improvements cannot be funded with special assessment financing.

Staff does not recommend a waiver of the Facade Improvement Program guidelines. Staff recommends the City Council amend the policies for the Facade Improvement Program to permit assistance to high-rise facilities along Douglas Avenue if the following criteria are met:

- The high-rise facility must be more than three stories in height.
- No forgivable loan would be permitted for high-rise facilities.
- Landscaping would be eliminated as an eligible item for all Facade loans.
- The project has to include significant private investment (other than the Facade loan) in an amount equal to or greater than the amount financed by the Facade Improvement Program within twelve months of the date the Facade loan is approved.
- Owner cannot be delinquent on any current City charges or defaulted on any previous City assistance for all Facade loans.
- All work must be accomplished using private contractors through competitive bidding from at least three qualified companies pre-approved by the City.
- Authorize staff to provide assistance beyond two sides of the building as circumstances warrant.

If the City Council approves the amended policies, a waiver for the Garvey Center would not be required and staff will contact other high-rise owners to advise them of the revisions to the Facade Improvement Program. The Garvey Center would be eligible for \$748,387 in special assessment financing of the exterior coating and window wall improvements with the remaining \$249,462 privately financed.

There is no change to the Facade Improvement Program budget.

The City must remove landscaping as an eligible item from the Facade Improvement Program guidelines since they cannot be financed by special assessments.

Mayor Knight

Mayor Knight inquired if anyone wished to be heard.

Larry Weber

Applicant urged approval of the amendments.

Motion --

-- carried

Fearey moved that the amendments to the Façade Improvement Program guidelines be approved. Motion carried 7 to 0.

STAR BONDS FOR WATERWALK REDEVELOPMENT PROJECT.

Motion -- carried

Knight moved item be taken up off the Agenda. Motion carried 7 to 0.

Motion --

-- carried

Knight moved that a strong Resolution be drafted in support of Star Bonds for the Waterwalk Plan. Motion carried 7 to 0.

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 475

EAST BANK DEV.

EAST BANK DEVELOPMENT AGREEMENT – REVISED SITE PLAN.

Ray Trail

Director of Finance reviewed the Item.

Agenda Report No. 03-0318

For many years, the City has targeted the EastBank - along the Arkansas River, between and Main Street and Kellogg Avenue - for major redevelopment. Since the early 1990's, the City has undertaken a program of downtown revitalization made possible through a series of public-private partnerships that have resulted in the development of Old Town, the State Office Building, the Hyatt, Exploration Place, Eaton Place, Transit Center, Ice Sports Center and others. To complete the redevelopment of the EastBank, the City sought-out private developers capable of partnering in a major urban development endeavor.

On September 10, 2002, the City Council approved the Development Agreement between the Preferred Developer and the City and the Master Plan for the EastBank redevelopment. On March 4, 2003, the City Council approved a contract for design services for the public improvements for the EastBank redevelopment.

The site plan contained in the approved Development Agreement called for Lewis Street to remain open, splitting the development in two areas. After further design and market analysis, it was the considered judgment of staff and the design team, that it would advantageous to the development to divert the Lewis Street traffic to Waterman - using a Waterman-Lewis connector (see attachment).

Diverting the street to the perimeter of the development makes the pedestrian walkways on the Lewis Street Bridge more inviting and more safe for pedestrians, as it brings people directly into the activities on the WaterWalk. It also eliminates the potential for traffic congestion in the middle of the EastBank development, provides more storefront commercial property (allowing for more valuation of the project), and much more opportunity to integrate attractive residential space.

Redirecting of Lewis Street traffic permits the redevelopment of space that was Lewis Street into a public square and public space in the heart of the development where citizens can congregate for events, performances, or just meet in a central public space wrapped with retail, restaurants and related recreational activities. Placing the streets on the perimeter of the development further facilitates ease of service and maintenance once the development is complete.

There is no change to the development budget.

The requested revision to the site plan will require the City Council to vacate that portion of Lewis Street, as shown on the map.

Mayor Knight

Mayor Knight inquired if anyone wished to be heard and no one appeared.

Ray Trail

Director of Finance said that if the street is vacated, the City would be free to convert vacated site to redevelopment of this area, and would allow developers to begin plans. Actual removal of street would not occur until project ready.

Council Member Gail

Council Member Gale said he preferred to defer the vacation to a later date.

Motion --

-- carried

Brewer moved that the revision of the East Bank site plan and vacation of Lewis Street be approved. Motion carried 5 to 2. Council Members Gale, Lambke – No.

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 476

29TH STREET N. IMP. 29TH STREET NORTH IMPROVEMENTS, FROM ½ MILE WEST OF MAIZE ROAD TO MAIZE ROAD, AND FROM ½ MILE EAST OF RIDGE ROAD TO WEST STREET.
(District V)

Steve Lackey

Director of Public Works reviewed the Item.

Agenda Report No. 03-0319

Development north of the New Market Square is expanding to the area north and south of 29th Street North, west of Maize Road. Discussions with the developer have disclosed the need to expedite the paving of 29th Street North west of Maize. Further, development east of Ridge Road on 29th Street North has caused traffic to increase between Ridge Road and West Street. Currently, temporary pavement exists on 29th Street North - between Maize Road and Ridge Road. Permanent pavement design is currently being done for 29th Street North, Maize to Tyler with construction to take place in 2004. The CIP has programmed design and construction of 29th Street North, 119th to West Street in the ten-year program.

This Street - 29th Street North, west of Maize Road - is unpaved; likewise 29th Street North - ½ mile east of Ridge Road to West Street is unimproved. Traffic volumes are increasing due to development of the surrounding areas. The proposed project is to begin designing (1) 29th Street North, ½ mile west of Maize Road to urban standards; and (2) designing 29th Street North - from ½ mile east of Ridge Road to West Street to rural standards. If approved, it is Staff's plan to pave 29th Street North - east of Ridge Road - with a low cost rural construction standard to provide for hard surfacing for the traffic that currently exists in this corridor. The segment west of Maize Road will have to be programmed for construction in the revised CIP, currently being programmed.

The estimated design cost for the ½ mile segment west of Maize Road is \$75,000. The estimated cost for the 1-½ mile segment west of Hoover is \$35,000. If approved, the recommended funding source is General Obligation Bonds. These projects were not budgeted or provided in the current CIP. Funding can be made available for this work from savings from the design budget for the improvement between Maize and Tyler which were lower than anticipated.

Mayor Knight

Mayor Knight inquired if anyone wished to be heard and no one appeared.

Motion -- carried

Martz moved the design for both street projects be approved. Motion carried 7 to 0.

LEASE AGMT.

CENTER FOR HEALTH AND WELLNESS LEASE.

Cathy Holdeman

Assistance City Manager reviewed the Item.

Agenda Report No. 03-0320

On July 22, 1997 the Wichita City Council approved a lease/purchase agreement with the Northeast Center for Health and Wellness. The lease is for tract of land owned by the City on 21st Street -west of Erie- and encompasses 33,165 square feet. The Northeast Center for Health and Wellness constructed a medical clinic on this site to serve area residents.

The lease agreement calls for a ten-year lease with two-five year options. Rent started at \$235 per month and increases to \$765 per month by the end of the primary term. The purchase option is \$58,772 (\$1.78 per square foot) less any lease payments to date. The City agreed to finance the purchase payment over four (4) years at 5.5%.

To date, the Northeast Center for Health and Wellness has paid \$22, 430 and the current rental rate is \$590 per month. Should the organization buy the property prior to the March payment they would owe \$36,342 and this amount could be purchased under the terms and conditions of sale (listed above).

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 477

The Northeast Center for Health and Wellness is requesting the City to forgive the lease payments and presumably donate the land to the Center. The Center is seeing an increasing number of individuals seeking services due to the economic downturn and the large number of laid off workers who need health care. However, the City has a significant investment in this tract of land. It paid \$117,377 for this property in 1992 as part of the 21st Street revitalization project. Market rate for like parcels along 21st Street range from \$2.50 a square foot to as high as \$7.00 per square foot. A minimum value for this parcel is \$85,000 based upon the lowest square footage cost.

City Staff has reviewed the request from the Wellness Center. Based upon the current situation involving the services being provided by the Center and the need to meet higher than anticipated costs, the following options for Council consideration to help alleviate the current drain on the Center resources:

1. Retain the current lease payment structure.
2. Renegotiate the lease and reduce the monthly rent payment to the initial rental rate of \$235 per month for the next two (2) years and then increase the monthly rate in the same increments as the current lease agreement which will require an extension of the primary term.
3. Discontinue lease payments and donate the property to the Center.

The City receives \$590 per month (\$7,080 per year) for this tract of land which is well below market rates. The rent payments go toward the payment of the land along 21st Street and help to offset the purchase price of \$117,377. Should the City reduce the rental rate to the initial rate of \$235, the City's annual rent would be reduced to \$2,820. (This reduction saves the Northeast Center for Health and Wellness \$4,260 per year. Monthly payments would continue to reduce the purchase price).

None if the current lease agreement remain in effect. Should the lease agreement be terminated or renegotiated with different terms/conditions, the contract will need to be revised.

Mayor Knight

Mayor Knight inquired if anyone wished to be heard.

Bud Gates

Representatives of the Center for Health and Wellness urged approval of donation of land.

Arnetha Martin

Focusing on well-care versus sick-care – the only way to reduce health-care costs.

Motion --
-- carried

Brewer moved that Option 3 be selected and the property be donated to the Center to revert back to City if property ceases to be used as a health center. Motion carried 7 to 0.

COURT COSTS

AMENDMENT TO ORDINANCE – MUNICIPAL COURT COSTS.

This Item was pulled from the Agenda.

FEE ADJUSTMENTS

FEE ADJUSTMENTS –ACCOUNT ORIGINATION FEES.

Chris Cherches

City Manager reviewed the Item.

Agenda Report No. 03-0322

As part of the City's budget process, Staff has proposed that special services, such as contained in this Agenda Report, be paid for by the users of these services. From time to time, these fees are audited to determine if they are, in fact, self-supporting. If not, the practice by Staff is to bring these adjustments to the City Council. In this case, City staff reviewed the charges for grease trap service permits and Account Origination fees and determined that these fees no longer met the criteria of user-pay for cost recovery (for specific consumers for specific services).

Account Origination Fees were initiated in 1993. At the time, the computed cost of establishing up a new customer account was \$10. This included the cost of handling calls, sending a service

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 478

representative to the site to obtain readings and/or turn on the services, and set up the account for billing. This \$10 charge has remained the same since that date. A recalculation of these charges, recapping the same cost components as originally used, indicates that the costs of handling these services have increased to \$11.50.

Adjusting these fees by \$1.50 per transaction (and assuming the same number of transactions being processed in 2002) would result in increased revenues of \$26,700.. These adjustments would ensure that the user fee will pay to offset the administration of this service. Five percent of Water and Sewer Utility revenues are provided as Franchise fees to the General Fund. The resulting franchise fee would be increased by a total \$1,335 from this adjustment

The authority for these fees are contained in City Code, Section 17.12. The Ordinance revision implementing this change has been approved as to form by Law.

Mayor Knight

Mayor Knight inquired if anyone wished to be heard and no one appeared.

Motion --

-- carried

Knight moved that the fee adjustment be approved and the Ordinance be placed on first reading. Motion carried 7 to 0.

ORDINANCE

An Ordinance amending Section 17.12.090 of the Code of the City of Wichita, Kansas, pertaining to schedule of Rates and charges for water service, and repealing the original of said Section, introduced and under the rules laid over.

ADJUST. LIMITS

PURCHASING AND BUDGET ADJUSTMENT LIMITS.

Ray Trail

Director of Finance reviewed the Item.

Agenda Report No. 03-0323

In 1968 the governing body approved an increase in the legal limit requiring advertising for bids to increase from \$1,000 to \$2,000. Again, in 1978 the limit was increased to \$10,000, and has remained in effect since that time. As a result, the number of legal bids requiring advertising has increased more than 650% since 1978. Further, according to US Department of Labor Inflation Calculator, \$10,000 in 1978 has the same buying power as \$28,500 in 2003.

The City Manager currently has authority to authorize expenditures up to and including \$10,000. The great majority of the transactions under \$10,000 involve an informal bidding process with multiple vendors solicited for informal bids or purchases under blanket purchase contracts. Any expenditure in excess of \$10,000 requires the formal advertised bidding process and subsequent approval of the City Council.

A review of prior year purchase orders and direct purchase orders (pre-established contracts) reflected that if the legal bid amount was increased up to and including \$25,000 or \$40,000, the percentage of approved documents by either the City Manager or the City Council would change marginally. The comparative thresholds were selected because:

- \$25,000 is a typical limit in a survey of peer cities, as well as Sedgwick County (although some limits went as high as \$50,000) and
- \$40,000 is a threshold in State law (KSA 60-1111) triggering requirements for Bid, Performance, and Labor & Material Payment bonds for transactions involving construction, combined service/equipment purchases, and major repairs to building equipment.

The City conducts purchasing business in two primary ways – a Direct Purchase Order and a Purchase Order. Direct Purchase Orders (DPO) reflect purchases in which a blanket contract has been previously established through a competitive process typically processed through the Board of Bids and approved

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 479

by the City Council. Purchase Orders (PO) reflect purchases or services that do not currently have a contract in place and a contractual obligation needs to be established.

If the dollar amount is increased to \$25,000, the City Manager will approve approximately 4% of all Purchase Order (PO) transactions versus the current 2%. The City Council will continue to approve 96% of PO transactions. For Direct Purchase Orders (DPO), the City Manager would have the ministerial authority to approve 79% of all transactions versus 64% currently (however, most such DPO transactions are based on blanket purchase contracts previously approved by the City Council). In sum, the increase in threshold impacts approximately 2.8% of the dollar amount of all purchasing transactions with the governing body continuing to exercise direct control over 91% (\$260+ million).

If the dollar amount is increased to \$40,000, the City Council retains direct control over 89% of the dollar amount of all purchasing transactions and indirect control of most of the remainder through approval of blanket purchase contracts.

The following table reflects the change based on the current \$10,000 limit and the two comparative thresholds:

City Purchasing Transactions Under Alternative Thresholds(\$10,000 / \$25,000 / \$40,000)

<u>Threshold</u>	<u>Amount of Bids</u>	<u>Number of Bids</u>	<u>% of Amount</u>
<\$10,000	\$18,082,026	14,654*	6.2%
>\$10,000	\$268,939,585	1,192	93.8%
<\$25,000	\$26,046,985	15,145	9.0%
>\$25,000	\$260,974,626	701	91.0%
<\$40,000	\$32,829,803	15,361	11.4%
>\$40,000	\$254,191, 808	485	88.6%

* 83% of the transactions under \$10,000 are based on Direct Purchase Orders (DPO) or purchases under blanket purchasing contracts secured from a competitive bidding process through the Board of Bids and approved by the City Council. The remainder are goods and services acquired through an informal, but competitive, bidding process where multiple vendors are contacted.

A small number of budget adjustments and contract change orders would also be covered by any change in City Council policy. Budget adjustments typically involve realignment of funds within accounts in the same departmental/divisional budget to reflect refinement in programs and services. Contract change orders are revisions to prior purchasing transactions as project specifications are modified to meet changing conditions.

Setting the threshold at \$40,000 would have the benefit of coordination with State law with advertised bids require bonding and informal bids not. If the governing body is not comfortable with a threshold this high, the \$25,000 limit is a norm with other peer cities although it would not fully adjust for the impact of inflation.

Mayor Knight

Mayor Knight inquired if anyone wished to be heard and no one appeared.

Motion --

Knight moved that the City Council select \$25,000 limit and place the Ordinance amending Sections 2.64.010 and 2.64.020 of the code of the City of Wichita pertaining to the purchasing policy and the charter ordinance amending section 1 of Charter Ordinance no. 151 pertaining to the methods of building public improvement projects; appropriate revisions to applicable administrative regulations. Motion carried 7 to 0.

-- carried

CHARTER ORDINANCE

A Charter Ordinance amending Section 1 of Charter Ordinance No. 151 pertaining to the methods of building public improvement projects, introduced and under the rules laid over.

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 480

ORDINANCE

An Ordinance amending Sections 2.64.010 and 2.64.020 of the Code of the City of Wichita, Kansas, pertaining to the purchasing policy of the City of Wichita, and repealing the originals of said Sections, introduced and under the rules laid over.

CAPITAL PROJECTS CAPITAL PROJECT REDUCTIONS.

Ray Trail

Director of Finance reviewed the Item.

Agenda Report No. 03-0324

Many capital projects are funded through transfers from the General Fund. As part of the response to State budget cuts approved by the City Council, staff was directed to identify a strategy for returning at least \$1 million to the General Fund from capital project accounts.

Revising/closing capital project accounts that were originally General Fund financed, including any interest earnings generated from those accounts, will return significant dollars to the General Fund. Specific projects, dollar amounts, and impacts are:

- Fire Station Construction (\$515,000). The 2003 General Fund budget included cash funding to support a portion of the Fire Station Construction/Relocation capital project. Staff has determined the fire station relocation program can be accomplished with this reduction.
- Technology Improvements (\$150,000). Funds remaining from a capital account for technology/video enhancements. The efforts were completed or discontinued.
- Bicycle Programs (\$56,000). Funds were set aside for bike path enhancements, including production of bike path maps. The City currently has twelve (12) open bike path capital projects and funds remaining will be sufficient to complete efforts.
- Infrastructure Improvements (\$160,000). Several years ago, the City set aside supplemental funds (in addition to the annual appropriation in the Street Maintenance budget) for improvements in newly-annexed areas. All scheduled projects have been completed.
- Waterwall (\$50,000). The Waterwall project was completed without requiring the use of a contingency fund established with General Fund monies.
- Credit Card Program (\$75,000). The City's Purchasing Card program was designed and implemented in-house, saving the City the cost of hiring consultants to perform the work.

The total of the listed projects is \$1,006,000.

The net positive impact to the 2003 General Fund from closing projects will be in excess of \$1 million.

Mayor Knight

Mayor Knight inquired if anyone wished to be heard and no one appeared.

Motion --

-- carried

Knight moved that the capital project amendments and the necessary fund transfers be approved.
Motion carried 7 to 0.

MINI CITY HALL

ESTABLISHMENT OF NEIGHBORHOOD CITY HALL. (District II)

Chris Cherches

City Manager reviewed the Item.

Agenda Report No. 03-0325

Since the implementation of the Neighborhood Initiative, the City has made significant improvements to enhance the quality of life in the community and address crucial neighborhood issues. A concentrated and focused effort has been made to establish partnerships with neighborhoods to increase safety, economic, family and social stability and improve the environment, physical appearance and revitalization/ preservation of neighborhoods. As a result, crime has decreased, neighborhood

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 481

organizations and involvement has increased, and many partnerships have been formed to address youth and family concerns.

District Advisory Boards (DABs) have also helped the City to strengthen its relationships with citizens and neighborhoods. Four of the six DAB boards meet in already established Neighborhood City Halls (Atwater, Colvin, Evergreen and Aley/Stamley). Districts II and V do not have neighborhood City Halls and meet at other City facilities.

Under consideration was the use of the former Magdalen School (acquired to allow for the reconstruction of East Kellogg) for the District #2 Neighborhood City Hall. However, with the recent budget reductions, it no longer appears financially feasible (at this time) to create an additional fully-staffed Neighborhood City Hall. Instead, Staff – at the request of the District Councilman – has been exploring a remodeling of a portion of this City-owned building for general meeting purposes for use by the neighborhood and District Advisory Board.

Architectural services were engaged to provide a preliminary design and cost estimate for converting a portion of the space of the Magdalen School building into a Neighborhood use to contain a small office space with a larger meeting room to accommodate District Advisory Board meetings as well as other community events. In the future, if warranted and financially feasible, the building could be further renovated into a Distinct #2 Neighborhood City Hall with related City services/activities.

The use of the Magdalen School would capitalize on an existing public asset and return this vacant facility into a viable public use. If not desired as a City-owned facility, the building could be marketed for private use. Currently, the City leases a gymnasium to youth basketball activities.

Preliminary cost estimates for remodeling the facility, resealing the parking lot, upgrading furniture, fixtures and mechanical systems along with architectural fees are estimated at \$475,000. If the City Council wishes to pursue this remodeling and use, Staff could identify substitute capital improvement projects to proceed with this project or the City Council could redirect funds from the Capital Improvement Program or General Fund reserves to this project.

Mayor Knight

Mayor Knight inquired if anyone wished to be heard.

Lonnie Wright

Lonnie Wright urged approval.

Motion --

Pisciotte moved that the establishment of a Neighborhood City Hall for District II be approved; the fees for architectural services for final design be authorized and Staff be asked to return with a funding source; Staff be authorized to issue and accept bids subject to City Council approval; and the Resolution be adopted. Motion carried 7 to 0.

-- carried

RESOLUTION NO. 03-152

A Resolution determining the advisability of making certain public improvements in the City of Wichita, Kansas, and setting forth the general nature and the estimated cost of such improvements; authorizing and providing for the making and financing of the improvement in accordance with the findings of the governing body; and directing the publication of the Resolution, presented. Pisciotte moved that the Resolution be adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gale, Lambke, Martz, Pisciotte, Knight.

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 482

N.E. COMPLEX

NORTHEAST BASEBALL/SOFTBALL COMPLEX.

Mayor Knight momentarily absent.

Doug Kupper

Parks and Recreation Director reviewed the Item.

Agenda Report No. 03-0326

On July 8, 1997, the Wichita City Council following approval by the Park Board, approved a proposal for softball/baseball complex in northeast Wichita.

The City, at the request of the Friends of Northeast Baseball, purchased approximately 60-acres of land near 29th and Greenwich Road. (This site is in close proximity to the Northeast Soccer Complex). The project – proposed as a public-private partnership between the City of Wichita and the Friends of Northeast Baseball- entered into a cooperative agreement to facilitate the construction of a new ballfield complex for youth.

The Friends organization consists of residents and parents who support and promote youth baseball/softball in Wichita and who are committed to securing adequate quality fields for youth play in the northeast area of the City.

Under the terms of the agreement, the City accepted responsibility for the purchase of land, extension of utilities to the site, providing all earthwork to the site, construction and installation of parking lots, perimeter lighting, restrooms, concession facilities, bleachers and an irrigation system. As proposed, all grounds and facility maintenance expenses were to be recovered through facility-user fees.

As part of its responsibility, the Friends of Northeast Baseball committed an initial contribution of \$100,000 towards project development. The organization also agreed to assume responsibility for the installation of fencing, seeding, sod, backstops (valued at \$250,000). The Friends also made a commitment to raise an additional \$1,000,000 to assist the City with capital improvements to the site.

On March 3, 1998, the City Council approved acquisition of a 60-acre site located near 29th and Greenwich Road for the purchase price of \$240,000. Plans for initial development call for first completing four fields for youth and tournament play. As future funding becomes available, it is planned to develop a total of 10-fields on the site. Following initial engineering design and cost analysis, the cost for constructing the first four fields exceeds the \$1.2 million initially projected.

The City initiated Capital Improvement Program (CIP) General Obligation (GO) funds on September 11, 2001 for preliminary design and cost work totaling \$41,370. To complete the design for bid will require an additional \$132,645 to complete construction documents. The construction estimate for the first four (4) fields is estimated to be approximately \$2.4 million. For all ten fields and final complex improvements, the cost is estimated at about \$8.5 million (architectural, engineering and construction), depending upon inflationary trends.

The City's CIP has an initial allocation budget of \$1 million for this project. This first phase – design and construction - would be financed through General Obligation Bonds. It is estimated that upon completion of the design of the four (4) fields, nearly \$826,000 will be available for construction. The Friends of Northeast Baseball have \$100,000 available to contribute to this project although they have pledged to fund raise an additional \$1 million. Currently, based on the architectural preliminary cost estimates, the project is insufficiently funded and will require the private sector commitment, plus additional funding to complete even the first four fields. It is possible that volunteer assistance might be provided to accomplish some of the earth work, but this is not yet determined.

Options: The City has a significant investment in this property/project (to date nearly \$300,000 for land acquisition and design fees). With rising costs, it is important that work progresses, at least for site preparation and a portion of the fields to allow this property to be utilized. If not, the project should be deferred until sufficient funding can be raised by the private partner. Several options are put forward for Council consideration.

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 483

1. Defer the project. The preliminary design work is nearly completed and this project can be placed on hold until the Friends of Northeast Baseball reaches the \$1 million private commitment.
2. Construct only one of the four softball fields. The architect estimates that construction of one field, including site work and the extension of utilities for all four fields, will cost \$875,313. Funds available in the project account after design fees are paid along with the \$100,000 contribution by the Friends of Northeast Baseball should be sufficient to cover this cost.
3. Construct two fields. This cost is estimated to be about \$1,310,935 - which includes site work and the extension of utilities for all four (4) fields. Currently only \$926,000 (of the \$1,310,935) is available leaving nearly \$400,000 to be financed from other sources. Other financing options could include: reprogramming the CIP by deferring a project(s) in the amount of \$400,000; requiring the Friends of Northeast Baseball to secure private financing to cover the remaining cost; or increasing user-fees to amortize the debt.

The CIP includes \$1,000,000 of GO financing for the construction of the Northeast Softball complex. The Friends of Northeast Baseball has \$100,000 on hand to assist with project financing. Should more than one field be constructed, the funding commitment by both the City and the private sector is insufficient to cover the cost. Options #2 or #3 (above) would allow the first phase of one to two fields to be constructed, along with the earthwork required for the additional fields at a later date.

If the project is to proceed, the City Council will need to adopt a bonding resolution.

Mayor Knight

Mayor Knight inquired if anyone wished to be heard.

Motion --

Pisciotte moved that the Option #2 be approved; and Staff be authorized to work with the architect to complete the work in accordance with available budget with identified savings; seek additional funding support from the Friends organization, and solicit volunteer assistance to perform some of the initial project work that might reduce the overall project cost. Motion carried 7 to 0.

-- carried

VEH RENTAL TAX

VEHICLE RENTAL OCCUPATION TAX.

Rob Raine

Research and Budget Officer reviewed the Item.

Agenda Report No. 03-0327

There are a wide variety of taxes and fees imposed on vehicle rental revenues. Nearly all states impose a sales tax on vehicle rentals (locally, this includes a 5.3% state sales tax and a 1% county sales tax). Many, but not all, states also impose a statewide excise tax on vehicle car revenue. In Kansas, the excise tax rate is 3.5%; however, rental car companies in this state are not required to pay motor vehicle taxes to local governments.

In recent years, many U.S. cities have imposed local taxes and fees on rental vehicle transactions, very often dedicating the revenue to a specific economic development initiative such as a sports arena. The City of Wichita imposes no such local tax or fee, although the Airport assesses a 10% concession fee. This fee is consistent with similar fees assessed by almost all major airports around the country. In Wichita, the total tax and fee rate on airport-based rental vehicle transactions is 19.8% (based on a mid-sized vehicle). In a sampling of 36 U.S. cities, primarily in the mid-west and north central regions, the total tax and fee percentage for airport rentals averages 25.8%. Based on the percentage of total taxes and fees paid on vehicle rentals, the City of Wichita ranks 33rd out of the 36 cities studied. Cities ranking higher include Kansas City, MO (26th), Colorado Springs (25th), Oklahoma City (21st), Tulsa (13th), Little Rock (10th), and Omaha (9th).

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 484

A Rental Vehicle Occupation Tax of 2% per rental day is proposed which would generate approximately \$660,000 annually, less administrative and collection costs. This would raise the total tax and fee rate in Wichita to 21.8% -- 3% local, 10% Airport, and 8.8% State (29th of the 36 cities studied). The comparable percentage for non-airport rental vehicles is 11.8%, which includes sales tax, state excise tax, and the proposed vehicle occupation tax.

City-wide, each percentage point generates approximately \$330,000 annually. An alternative of a flat \$1 rate per rental vehicle day rate structure generates approximately \$700,000. The proposed ordinance would implement a 2% vehicle occupancy tax. The costs for administering, collecting, auditing, and reporting on the tax would total about \$75,000 in 2004.

The City of Wichita has authority under KSA 12-194 to implement an occupation tax. To create a Rental Vehicle Occupation Tax, the Law Department has advised following the provisions of KSA 12-137. This would require the enactment of an ordinance by a 2/3 vote; publishing the ordinance for two weeks; and making the tax effective 61 days after the final publication.

Mayor Knight Mayor Knight suggested the new City Council make the decision in the future.

Motion -- carried Knight moved that this Item be deferred to the new City Council. Motion carried 7 to 0.

CITY COUNCIL AGENDA

APPOINTMENTS

APPOINTMENTS:

No appointments were made.

CONSENT AGENDA

Knight moved that the Consent Agenda, except Item 27b, be approved in accordance with the recommended action shown thereon. Motion carried 7 to 0.

BOARD OF BIDS

REPORT OF THE BOARD OF BIDS AND CONTRACTS DATED MARCH 24, 2003.

Bids were opened March 21, 2003, pursuant to advertisements published on:

Water distribution system to serve The Executive at White Tail Addition - south of 13th Street North, east of K-96. (448-89726/735109/470789) Does not affect existing traffic. (District II)

McCullough Excavating - \$24,150.00

Water distribution system to serve Shadow Ridge Addition - north of 31st Street South, east of Hillside. (448-89759/735112/470782) Does not affect existing traffic. (District III)

McCullough Excavating - \$14,750.00

Water distribution system to serve Remington Place Second Addition - south of 21st Street North, east of Webb. (448-89763/735118/470788) Does not affect existing traffic. (District II)

McCullough Excavating - \$12,950.00

Storm Water Sewer #576 to serve The Executive at White Tail Addition - south of 13th Street North, east of K-96. (468-83522/751331/485222) Does not affect existing traffic. (District II)

McCullough Excavating - \$14,550.00

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 485

Lateral 157 War Industry Sewer to serve Shadow Ridge Addition - north of 31st Street South, east of Hillside. (468-83556/743975/480663) Does not affect existing traffic. (District III)

Mies Construction - \$33,120.00

Eagles Landing from the southwesterly line of Lot 19, Block C, south to the west line of Willow Point; on Willow Point from the west line of Eagles Landing, west to the west line of the plat; and on Willow Point from the west line of Eagles Landing, east to the west line of Dellrose Circle to serve Eagles Landing at North Oliver Second Addition - south of 45th Street North, west of Oliver. (472-83465/765781/490892) Does not affect existing traffic. (District I)

Kansas Paving Company - \$348,895.45

Woodcreek, from the east line of Rosewood to the east line of Whispering Lakes Estates Addition; Rosewood, from the east line of Brookhaven to the west line of 159th Street East; Rosewood Court (Lots 9-16, Block 1) from the north line of Rosewood to and including cul-de-sac; and Rosewood Court (Lots 1-8, Block 1) from the north line of Rosewood to and including cul-de-sac to serve Whispering Lakes Estates - south of Harry, east of 143rd Street East. (472-83668/765765/490876) Does not affect existing traffic. (District II)

Ritchie Paving - \$270,889.80

Lateral 41, Main 24 War Industry Sewer to serve Remington Place Second Addition - south of 21st Street North, east of Webb. (468-83554/743978 /480666) Does not affect existing traffic. (District II)

Mies Construction - \$31,000.00

Lateral 339 Four Mile Creek Sewer to serve The Executive at White Tail - south of 13th Street North, east of K-96. (468-83523/743973/480661) Does not affect traffic. (District II)

Dondlinger & Sons - \$15,869.00 (Negotiated to Engineer's estimate)

Knight moved that the contract(s) be awarded as outlined above, subject to check, same being the lowest and best bid within the Engineer's construction estimate, and the and the necessary signatures be authorized. Motion carried 7 to 0.

PUBLIC WORKS DEPARTMENT/BUILDING SERVICES DIVISION: Overhead Door Replacement. (180823)

Overhead Door Company - \$23,353.20 (Total net bid)
\$ 4,620.00 (Option 1)

WATER & SEWER DEPARTMENT/PRODUCTION & PUMPPING DIVISION: Column Pipe Assembly Complete. (181222)

Layne Western Company - \$81,500.00 (Total net bid)

POLICE DEPARTMENT/SUPPORT SERVICES DIVISION: Police Leather Accessories. (083106)

Baysinger Police Supply - \$63,420.75 (Total net bid)

Knight moved that the contract(s) be awarded as outlined above, same being the lowest and best bid, and the necessary signatures be authorized. Motion carried 7 to 0.

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 486

LICENSES

APPLICATIONS FOR LICENSES TO RETAIL CEREAL MALT BEVERAGES:

<u>Renewal</u>	<u>2003</u>	<u>(Consumption on Premises)</u>
Isabel Salome	Angelas Café*	10901 East Kellogg
Nhung Nguyen T.	My Canh Restaurant*	3205 East 31st Street
Kimberly A. Gibson	Braeburn Golf Course @WSU	4201 East 21st Street North
<u>New Operator</u>	<u>2003</u>	<u>(Consumption off Premises)</u>
Hossein M. Haeri	Diamond Shamrock	851 South Meridian

*General/Restaurant - 50% or more of gross receipts derived from sale of food.

Motion -- Knight moved that the licenses be approved subject to Staff review and approval. Motion carried
-- carried 7 to 0.

PLANS AND SPECS. SUBDIVISION PLANS AND SPECIFICATIONS.

There were no subdivision plans and specifications submitted.

PRELIMINARY ESTS. PRELIMINARY ESTIMATES:

- a) Hoover, Third to St. Louis to serve Fruitvale Park & Unplatted Tracts - south of Central, east of I-235. (472-83530/765737/490848) Traffic to be maintained during construction using flagpersons and barricades. (District IV) - \$121,000
- b) Kessler, from Dora to May Street to serve West Warehouse Addition - south of Harry, east of West Street. (472-83529/765736/490847) Traffic to be maintained during construction using flagpersons and barricades. (District IV) - \$159,000
- c) Water distribution system to serve Whispering Lakes Estates - south of Harry, east of 143rd Street East. (448-89758/735098/470768) Does not affect traffic. (District II) - \$68,000
- d) Water supply line to serve White Tail Addition - south of 13th Street North, east of K-96. (448-88759/735092/470762) Does not affect traffic. (District II) - \$160,000
- e) Lateral 490 Southwest Interceptor Sewer to serve Tyler's Landing Addition - south of 37th Street North, east of Tyler. (468-83577/743971/480659) Does not affect existing traffic. (District V) - \$356,000
- f) Falcon from the south line of Willow Point south, west, south and east to the east line of Lot 21, Block B; Falcon Court (Lots 32 through 40, Block A) from the south line of Falcon, south to and including the cul-de-sac; sidewalk along one side of Falcon to serve Eagle's Landing at North Oliver Second Addition - south of 45th Street North, west of Oliver. (472-83466/765755 /490866) Does not affect existing traffic. (District I) - - \$312,000
- g) 2003 sanitary sewer reconstruction Phase 2 - south of Pawnee, east of Oliver. (468-83587 /620366 /663487) Does not affect existing traffic. (District III) - \$75,000

Motion -- carried Knight moved that the Preliminary Estimates be received and filed. Motion carried 7 to 0.

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 487

WATERFRONT ADD. PETITIONS TO PAVE STREETS TO SSERVE THE WATERFRONT ADDITION – NORTH OF 13TH, EAST OF WEBB. (District II)

Agenda Report No. 03-0328

The Petitions have been signed by one owner, representing 100% of the improvement district.

The projects will provide street paving for a new commercial development located north of 13th, east of Webb.

The Petitions total \$949,000. The funding source is special assessments.

State Statutes provide that a Petition is valid if signed by a majority of resident property owners or the majority of the property in the improvement district.

Motion -- carried

Knight moved that the petition be approved and the Resolution be adopted. Motion carried 7 to 0.

RESOLUTION NO. 03-153

Resolution of findings of advisability and resolution authorizing, improving left and right turn lanes on 13th Street to serve the Waterfront Addition and adjacent tracts, (north of 13th Street, East of Webb) 472-83699, in the City of Wichita, Kansas, pursuant to findings of advisability made by the governing body of the City of Wichita, Kansas, presented. Knight moved that the Resolution be adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gale, Lambke, Martz, Pisciotte, Knight.

RESOLUTION NO. 03-154

Resolution of findings of advisability and resolution authorizing improving left and right turn lanes on Webb Road to serve the Waterfront Addition and adjacent Tract (north of 13th Street, East of Webb) 472-83700, in the City of Wichita, Kansas, pursuant to findings of advisability made by the governing body of the City of Wichita, Kansas, presented. Knight moved that the Resolution be adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gale, Lambke, Martz, Pisciotte, Knight.

RESOLUTION NO. 03-155

Resolution of findings of advisability and resolution authorizing improving a traffic signalization at the intersection of Waterfront Parkway and 13th Street (north of 13th Street, East of Webb) 472-83701, in the City of Wichita, Kansas, pursuant to findings of advisability made by the governing body of the City of Wichita, Kansas, presented. Knight moved that the Resolution be adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gale, Lambke, Martz, Pisciotte, Knight.

RESOLUTION NO. 03-156

Resolution of findings of advisability and resolution authorizing improving traffic signalization at the intersection of Waterfront Parkway and Webb Road (north of 13th Street, East of Webb) 472-83702, in the City of Wichita, Kansas, pursuant to findings of advisability made by the governing body of the City of Wichita, Kansas, presented. Knight moved that the Resolution be adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gale, Lambke, Martz, Pisciotte, Knight.

BOARDS MINUTES

MINUTES OF ADVISORY BOARDS/COMMISSIONS:

Wichita Employees' Retirement Board, January 15, 2003

Wichita Employees' Police & Fire Retirement Board, January 16, 2003

Police & Fire Retirement Board, January 22, 2003

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 488

Wichita Employees' Police & Fire Retirement Board, February 6, 2003
Board of Park Commissioners, February 10, 2003
Wichita Public Library Board, February 2003

Motion – carried Knight moved that the Minutes be received and filed. Motion carried 7 to 0.

STREET CLOSURES CONSIDERATION OF STREET CLOSURES/USES.

There were no street closures submitted.

TENNIS PROGRAM CONTRACT EXTENSION FOR TENNIS PROGRAM DEVELOPMENT MARKETING EXTENSION.

Agenda Report No. 03-0329

On March 23, 1999, the City Council authorized an action plan for the Ralph Wulz Riverside Tennis Center. Included in the plan was approval of a renegotiated, one year contract with the Center's tennis pro and a new contract with a consultant to provide services related to facility development and programming changes.

In 2000, the consultant was retained to provide continued leadership for and implementation of facility development and programming with the support of part-time staff. The consultant developed tennis programs and –perhaps more importantly—generated tournament and lesson activity for the Center.

The City Council approved the contract to Jack Oxler at the April 4, 2001 meeting. The Council approved a contract extension in 2002 due to expire March 31, 2003. The new contract amendment will be April 1, 2003 to March 31, 2004 with an option to renew the contract under the same terms and conditions for one (1) year or two (2) successive one-year periods by mutual agreement of the parties.

The Contract amendment terms may be achieved with no net increase to basic operational costs. There are sufficient funds budgeted in the approved 2003 budget for the contract amendment.

Motion -- Knight moved that the Agreement be approved and the necessary signatures be authorized. Motion
-- carried carried 7 to 0.

SECURITY SERVICES DOWNTOWN TRANSIT OPERATIONS AND MAIN LIBRARY SECURITY SERVICES.

Agenda Report No. 03-0330

The City presently has a contract with Wolf Investigations to provide security services for the Downtown Transit Center, 214 South Topeka and the Main Library. The vendor is requesting a 2.75% adjustment to be added to the current annual contract extension. The current cost at the Transit Center is \$10.29 per hour thereby increasing the cost to \$10.58 per hour. The Main Library current cost is \$10.15 per hour increasing the cost to \$10.33 per hour.

It would be cost beneficial to approve the contract amendment to Wolf Investigation for both contracts because bids submitted in 2001 were higher than the current requested amended prices. The user departments have indicated they are well satisfied with existing contract performance.

Sufficient funds are budgeted for 2003 in the Transit departmental budget using FTA grant funds. Sufficient funds are budgeted for 2003 in the Library Department budget.

The Law Department will review and approve the contract amendment as to form. The contract amendment will be for one year.

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 489

Motion -- Knight moved that the Agreement be approved and the necessary signatures be authorized. Motion
-- carried carried 7 to 0.

AVIATION FESTIVAL AVIATION FESTIVAL MARKETING SUPPORT.

Agenda Report No. 03-0331

The City of Wichita, known as the Air Capital of the World, has a vast aviation history that includes nearly 100 years of ideas and innovations. Wichita is the proud home of four of the world-class leaders in aviation manufacturing including Boeing, Bombardier Learjet, Cessna and Raytheon as well as the fine men and women who serve at McConnell Air Force Base, the 22nd Air Refueling Wing of the Air Mobility Command, 931st Air Refueling Group of the Air Force Reserve and the 184th Bomb Wing of the Kansas Air National Guard. The City is proud of its aviation heritage and plans to celebrate during the month of September as part of the Centennial of Flight, sanctioned by the U.S. Centennial of Flight Commission.

Tourism is economic development. A billion dollar industry for the United States, this event will bring visitors from the region and aviation enthusiasts from around the country to Wichita. Once they are here, they will enjoy the festival activities, but also eat in area restaurants, visit area attractions, stay in area hotels and rent cars. Air Shows are the largest spectator sport in America, followed by Nascar and wrestling.

The City of Wichita is one of the host community partners (i.e. Wichita Festival, Arts and Humanities Council, McConnell Air Force/Kansas National Guard, local business and industry, etc.) working together to develop the Aviation Festival in September. It is important to develop and implement a strong marketing component to assure that the message is heard. The City programmed funds to invest in a solid marketing plan through marketing funds and direction from marketing staff. An agreement has been made with the Wichita Arts and Humanities Council for promotion and marketing costs for this festival event.

An allocation has been committed in the 2003 budget in an amount of \$25,000 for this community festival marketing celebrating Wichita's aviation heritage and 100th year anniversary of flight/

The agreement will be approved as to form by the Department of Law.

Motion -- Knight moved that the Agreement be approved and the necessary signatures be authorized. Motion
-- carried carried 7 to 0.

EQUUS BEDS EQUUS BEDS AQUIFER STORAGE AND RECOVERY PROJECT – SUPPLEMENTAL.

Agenda Report No. 03-0332

On August 31, 1993, City Council approved the Water Supply Plan (Plan) developed by Burns & McDonnell Co., Inc. On January 8, 2002, City Council approved a Contract with them to provide engineering and design services for Phase I of the Equus Beds Aquifer Storage and Recovery Project. November 5, 2002, City Council approved SA No. 1 for archeological services required to evaluate a discovery of a pre-historic artifact.

The Plan includes combining a number of local water supply sources to meet the City's water supply needs through the year 2050. Many of the sources are not "firm" supplies that are continually available, but are available periodically. To evaluate whether the sources were adequate to meet future water supply needs, and to determine the combination of sources to be most cost-effective, the City and Burns & McDonnell developed a computerized operations model. Since completing the Plan, there have been a number of changes in treatment technology and cost for technology, e.g., reverse osmosis and ballasted flocculation. These may offer an opportunity to reduce total cost of the Plan. This SA is for

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 490

Burns & McDonnell to run the computer model to evaluate results of pilot work on these two treatment technologies.

The services to run the computer modeling will not exceed \$27,475. Funding for this is included in the CIP in W-549 (Water Supply Plan Phase III) that has available funding of \$7.6 million in 2003.

City Council approval is required for projects over \$10,000.

Motion --
-- carried

Knight moved that the Agreement be approved and the necessary signatures be authorized. Motion carried 7 to 0.

EMPLOYMENT

SEASONAL AND LAID-OFF WORKER EMPLOYMENT.

Agenda Report No. 03-0333

The City has been exploring ways to reduce the excessive costs of employment of seasonal workers. In developing an approach, a program has been developed to outsource seasonal employment with an outside agency aimed at reducing the City's cost of recruitment and liability of hiring and paying unemployment and workers compensation costs.

A Request for Qualifications was issued to local Professional Employer Organizations (PEO's) and Staffing agencies to provide information concerning their ability to provide the City with needed temporary and seasonal employees. The use of an outside staffing agency could address increasing City costs due to the higher than average cost of workers compensation and unemployment associated with temporary and seasonal employees. Through the use of a contract agency for seasonal workers, these personnel cost exposures would be transferred to the outside agency. The proposed contract to handle seasonal/temporary workers The goal of this approach was to determine the economic viability (seeking to find a way to reduce the costs involved with seasonal/temporary workers) of contracting with an agency for the recruitment, hiring, payroll, FICA, FUTA, SUTA, and Workers' Compensation to save the City from paying these costs directly.

Nineteen (19) agencies responded to the original Request for Qualifications. These responses were reviewed by staff. A field of qualified proposers was reduced to three (3). These finalists were selected due to a number of factors, including: local ownership, local processing, local banking arrangements, ability to match the City's existing payroll processing schedule, and ability to meet our staffing needs. Interviews were held with the finalists on March 3, 2003.

During the interview process, many factors were reviewed with the finalists. These included, but were not limited to, the proposers recruitment and hiring processes, accounting systems, reporting capabilities, experience, cost, and ease of utilization by the various City departments and staff involved. While all finalists were capable of providing these services, it was the unanimous decision of selection panel that the firm of Human Resource Management Services provided the best available option for outsourcing these personnel. This firm will actively recruit for these positions with job fairs at various locations around the City and with local high schools and universities. They will comply with the City's EEO and Affirmative Action Plan.

his proposed plan will be evaluated at the end of one year to ascertain the effectiveness of utilizing an outside agency to handle seasonal/temporary workers for the City and the savings that would be realized by the City. If, after the first year, the program does not result in a more effective program with anticipated savings, it will not be continued.

Funding for this program is included in the current City budget for the hiring of temporary and seasonal employees. In addition, funding will be available through the savings of recruitment and advertising costs, pre-employment expenses, fringe benefit charges, unemployment taxes, workers compensation expenses, and payroll processing costs. The cost of providing these services will be 29% of the hourly wage for those temporary and seasonal employees. This charge will include all administrative and recruitment expenses, payroll processing costs, and all FICA, FUTA, SUTA, and workers' compensation expenses.

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 491

Employees under this program will (technically) be the employees of the vendor. The City will avail itself of protection against general liability claims as being a "co-employer" while transferring all exposure for workers compensation and unemployment claims to the vendor. The contract for services will be approved as to form by the Law Department.

Motion --

-- carried

Knight moved that the hiring of Human Resource Management Services to provide all temporary and seasonal employees to the City of Wichita under a one-year contract renewable annually be approved; the budget transfers be approved; and the necessary signatures be authorized. Motion carried 7 to 0.

SAWMILL CREEK

AGREEMENT TO RESPREAD ASSESSMENTS: SAWMILL CREEK – NORTH OF 45TH STREET NORTH, EAST OF ROCK ROAD. (District II)

Agenda Report No. 03-0334

The landowners, Sawmill Creek, LLC and Castlewood Homes, Inc., have submitted an Agreement to respread special assessments within Sawmill Creek.

The land was originally included in several improvement districts for public improvement projects. The purpose of the Agreement is to respread the special assessments to reflect changes in the division of land.

There is no cost to the City.

Motion --

-- carried

Knight moved that the Agreement be approved and the necessary signatures be authorized. Motion carried 7 to 0.

EVERGREEN

SUPPLEMENTAL AGREEMENT FOR CONSTRUCTION ENGINEERING AND STAKING FOR EVERGREEN ADDITION – NORTH OF 21ST STREET, WEST OF MAIZE ROAD. (District V)

Agenda Report No. 03-0335

The City Council approved the project on August 8, 2000. On March 18, 2003, the City approved an Agreement with Professional Engineering Consultants, P.A. (PEC) to design the improvements. The Design Agreement with PEC requires PEC to provide construction engineering services if requested by the City.

The proposed Supplemental Agreement between the City and PEC provides for construction engineering and staking for the improvements in Remington Place Addition. Due to the current workload created by previous projects, City crews are not available to perform the construction engineering for this project.

Payment will be on a lump sum basis of \$60,500 and will be paid by special assessments.

Motion --

-- carried

Knight moved that the Agreement be approved and the necessary signatures be authorized. Motion carried 7 to 0.

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 492

INSURANCE PROG. 2003 INSURANCE PROGRAM.

Agenda Report No. 03-0336

The City contracts for a number of services and insurance policies to accent its self-insurance program and provide benefits to employees. These policies include property, data processing, boiler/machinery, burglary/theft, employee dishonesty, excess workers' compensation, helicopter general liability, employee health, vision, and dental, and long-term disability insurance. The various services included in these programs includes workers' compensation medical providers, outside appraisal services, medical bill review, and nurse case management, employment physicals, drug tests, and vehicle rental services for claimants.

The Risk Manager negotiates insurance coverage and premiums on behalf of the City. In addition, employee benefit coverages and issues are reviewed with the Health Insurance Advisory Committee (HIAC).

The existing Program is as follows:

--Property, boiler/machinery, and data processing coverage is currently provided under a blanket policy by Allianz Insurance through Marsh, USA. The present annual premium is \$367,745 for insured values of \$345,151,121.

--Public Building Commission/State Office Building complex - blanket coverage is placed by Marsh for the with a corresponding premium of \$65,380.

--Burglary/theft and employee dishonesty coverage - same policy and bond with Hartford Insurance placed by Commercial Insurors. This is a three year prepaid policy. The prorated annual cost of this policy is \$7,017.

--Travel/accident policy with Zurich - provides accidental death coverage for employees traveling on City business. Policy written through Insurance Management Associates at an annual premium of \$1,661.

--Police helicopter liability coverage provided by AIG Aviation and written through Professional Insurance Management. The current annual premium for this coverage is \$4,000. The cost of the combined hull and aircraft liability insurance for the new MD500 helicopter is projected to be approximately \$53,000.

--Airport Property insurance management has been combined with the City's coverage. A separate airport liability policy is purchased from ACE USA through Dulaney, Johnston, and Priest for an annual premium of \$33,744.

--In addition, an underground storage tank liability policy is purchased for all tanks located at the airport for a premium of \$4,000 per year. This cost is passed through to the airport vendors that have underground storage tanks located on airport property.

--Employee Health Insurance is provided through Preferred Plus of Kansas. In 2001, the City Council approved coverage for 2001 through 2003 based upon the three year rate guarantee given by the insurance carrier. The monthly premiums for single and family coverages, including vision and prescription drugs, are currently \$250.95 and \$704.36 respectively (presently shared 20% by employees and 80% by the City. The City will be issuing Requests for Proposals for these services for contract year 2004. Voluntary Dental and Long Term Disability coverages are entirely paid by employees.

The City's line of employee-related health insurance programs is extensive, involving a combination of fully insured coverage (through fixed premiums) and self-insurance (administrative fees paid to National Medical Health Card).

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 493

The City utilizes the services of Employee Benefit Consulting (EBC) to coordinate the programs. Utilization of EBC allows the City to contract directly with health care insurers, prescription benefit managers, and vision providers without the need to pay a commission to an agent or broker (the maximum fee payable under this contract relates to less than ½ of 1% of the annual health premiums and is far less expensive than utilizing an agent or broker and paying a commission on a \$25,000,000 account). EBC accepts no commissions from providers for any of their consulting work across the country and is paid solely through hourly fees to clients so as to maintain an independence from insurance providers. The contract would provide for a one-year extension with the option for three one-year renewal periods with payments on an hourly basis, not to exceed \$107,000 per year (including all travel and other expenses), which is no fee increase from the current contract.

--Primary workers compensation costs are self-insured by the City. As required by State Statute the City purchases an excess policy to pay for any claims in excess of \$500,000 per occurrence. The 2003 premium for this coverage is \$158,665.

The City currently utilizes Via Christi/Riverside to provide comprehensive pre-employment physicals on all potential employees to manage and control the risks and costs of the program. A request for proposal will be issued in the near future to review new options, technology, and providers that are available in this area.

The Corvel services are used for claims that require nurse case management and to reprice billings when utilization is through the providers' network. Corvel charges an hourly rate for nurse case management and a percentage of savings for the repricing of our medical bills. The City pays Corvel 25% of the savings they provide via greater negotiated discounts with medical providers than can be negotiated independently by the City.

The City uses Wichita Clinic Occupational Health as the primary treatment center for workers compensation injuries. It is staffed by a board certified occupational health physician with expertise in treating occupational injuries.

Heartland MRI is used for all imaging services required for diagnosis of work related injuries. The negotiated fee for these services is \$600 per MRI, including the read. This reflects an approximate 50% savings over the State of Kansas mandated fee schedule for these services. All required physical therapy is provided by TheraCare on a negotiated fee structure of 75% of the state mandated fee schedule.

Automobile liability is self-insured by the City. Services of Vehicle Damage Appraisers is used to provide damage estimates on claimant's cars and vehicle and salvage valuations on all total losses. The City has also negotiated an insurance rate with Enterprise Rent-A-Car of \$19.99 per day when the City is required to provide substitute transportation while a claimant's vehicle is being repaired.

The premiums for the insurance policies and related programs and services are within the budget parameters for 2003.

Under Purchasing Ordinance 38-122 (h), the Purchasing Manager has the ability to negotiate insurance contracts and associated services on behalf of the City, subject to ratification and approval by the City Council.

Motion --
-- carried

Knight moved that the existing insurance package and programs be ratified; and the necessary signatures be authorized. Motion carried 7 to 0.

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 494

TENNIS CENTER

IMPROVEMENTS TO RIVERSIDE TENNIS CENTER.

Agenda Report No. 03-0337

On January 23, 2001, the City Council approved funding to evaluate a proposed renovation and expansion of the Ralph Wulz Tennis Center in Riverside Park. This project, as proposed, would include both public and private funding. The Council approved funding to develop schematic drawings of the planned renovations and expansion to facilitate private fund raising efforts and to determine its feasibility. Later in 2001, HUD awarded an economic development grant of \$429,030 to the MCB Tennis Foundation (a private non-profit foundation) of Wichita to assist with the construction of an indoor tennis facility.

Since that time, a number of architectural plans have been developed; however, the cost of the indoor facility, as proposed, was felt to be too high without substantial private funding participation. To move this project forward, staff initiated a Request for Proposal (RFP) from the private sector to ascertain interest in a public-private development for this facility, similar to the Wichita Ice Sports Center. The results of this solicitation were to provide the Council with information as to whether or not there is interest in the project and if it should be advanced or terminated.

In January 2003, the City solicited proposals for a year-round tennis facility to determine if there was interest in the creation of a viable public-private partnership. The proposal asked respondents to define the development team, including experience and qualifications with projects of a similar scope. They were asked to provide an operation and management plan for the facility. The financial section requested information on hard and soft costs associated with development, the sources and uses of funds, financing terms from each source and letters of intent for financial support from lending institutions. The information requested was in sufficient detail to ascertain if any individual or organization had the interest and financial where-with-all to participate in a public private partnership for an indoor tennis facility.

The City received two responses to the RFP. One was from an existing health club (Genesis Health Club) who indicated that the RFP in its present form does not provide the necessary inducement or attraction for Genesis to submit a proposal. Genesis stated that they are unable to identify any structure that makes economic sense. They proposed that the City make the entire investment and that Genesis become the operator with operating revenue guaranteed by the City.

A second proposal received from Friends of Riverside Tennis Revitalization (FRTR) provided limited information and did not fully address the requirements of the RFP. It proposed to operate the facility 80 hours a week and serve youth, adult and special populations. Financial information provided suggested the City provide a 30-year lease at \$1.00 per year. Funds available total \$750,000 with \$429,000 from a HUD grant, \$260,000 from cash and pledges of \$60,000. The proposal also indicated that FRTR would fund raise one-half million dollars for an endowment for operating expenses.

The architect hired to develop a schematic design for this project provided preliminary cost estimates that range from \$3.5 million and \$5.0 million. FRTR provided no information on how to finance the balance of the project other than suggesting that the City pay one-half of the project cost. The proposal did not include financial commitments from lenders. Additionally it did not include any specifics with respect to the public-private financial relationship with the City for development and operation of this facility.

A staff screening and selection committee was convened to review both proposals. The committee determined that both proposals were not responsive to the specifications of the Request for Proposal and did not reflect a true public-private partnership for the construction and management of an indoor tennis center. The recommendation of the committee was to reject both proposals and continue to operate the facility as an outdoor tennis center until such time as a viable public-private partnership can be developed.

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 495

The City's Capital Improvements Program has \$500,000 allocated for this project in 2004 that could be redirected for other projects until a stronger public-private partnership can be developed for construction of an indoor tennis facility.

Motion -- Knight moved that the proposals be rejected and the Ralph Wulz Tennis Center continue being utilized as an outdoor tennis facility until such time as a viable public-private partnership can be created and brought forward.
-- carried

WESTAR LINES

RELOCATION OF WESTAR ENERGY ELECTRIC LINES FOR THE HOOVER ROAD IMPROVEMENT AND CESSNA AIRCRAFT FACILITY EXPANSION. (District IV)

Agenda Report No. 03-0338

On September 25, 2001, the City Council approved a project to improve Hoover Road, from south of 31st Street South to Harry. The project is a partnership of the City of Wichita, Sedgwick County, and the State of Kansas. An Agreement establishing City/County participation in the project was approved by the City Council on February 4, 2003. In this Agreement, an additional \$10,460,000 was to be contributed by the City for industrial site development, taxiway construction, including \$560,000 for utility relocation associated with Cessna Aircraft Company facilities expansion. The additional funding was approved by the City Council on December 18, 2001 and the bonding Resolution for the site work component was adopted on June 4, 2002.

Westar Energy has agreed to relocate electric lines underground in an existing sanitary sewer easement in the vicinity of the new Cessna Aircraft Service Center. The cost difference between overhead and underground installation will be paid by the City. An Agreement has been prepared which formalizes this arrangement. An amending Resolution has been prepared to authorize the adjustments to the budget.

The cost of relocating lines underground in this area is \$784,384. The Amending Resolution will not increase the funding amount approved by City Council on December 18, 2001. The funding source is Local Sales Tax.

Motion -- Knight moved that the Agreement be approved; the necessary signatures be authorized; and the Resolution be adopted. Motion carried 7 to 0.
-- carried

RESOLUTION NO. 03-157

A Resolution authorizing the issuance of General Obligation Bonds of the City of Wichita, Kansas to pay a portion of the costs of constructing site improvements at the Wichita Mid-Continent Airport in connection with the development of a Cessna Citation Service Center and repealing Resolution No. 02-263, presented. Knight moved that the Resolution be adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gale, Lambke, Martz, Pisciotte, Knight.

SETTLEMENT

SETTLEMENT OF LITIGATION – CASE NO. 01 C 3581. (District II)

Agenda Report No. 03-0340

This is an eminent domain appeal involving property at 7092 East Kellogg that the City acquired in connection with planned improvements to U.S. 54 between Woodlawn and Rock Road. The court appointed appraisers awarded the property owner \$500,000 and the property owner appealed.

The property owner has offered to settle this matter for payment of an additional \$25,000 as compensation for the acquisition of his property. Given the risks and costs of litigating this matter through trial, it is likely that it will cost the City more than \$25,000.

Funding for this payment is from the East Kellogg (Woodlawn to Rock Road) project.

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 496

Motion --
-- carried

Knight moved that the payment of \$25,000.00, together with interest at the rate of 10% from January 7, 2003, as a full settlement of Case No. 01 C 3581, be authorized. Motion carried 7 to 0.

SETTLEMENT

SETTLEMENT OF LITIGATION -- CASE NO. 01 C 3140. (District V)

Agenda Report No. 03-0341

This is an eminent domain appeal involving property at 11417 West Kellogg that the City acquired in connection with planned improvements to U.S. 54 between Maize Road and 119th Street. The court appointed appraisers awarded the property owner \$652,000 and the property owner appealed.

The property owner has offered to settle this matter for payment of an additional \$27,000 as compensation for the acquisition of his property. Given the risks and costs of litigating this matter through trial, it is likely that it will cost the City more than \$27,000.

Funding for this payment is from the West Kellogg (Maize Road to 119th Street) project.

Motion --
-- carried

Knight moved that the payment of \$27,000.00, together with interest at the rate of 10% from December 5, 2002, as a full settlement of Case No. 01 C 3140, be authorized. Motion carried 7 to 0.

SETTLEMENT

SETTLEMENT OF LITIGATION—CASE NO. 03 C 193. (District VI)

Agenda Report No. 03-0342

This is an eminent domain appeal involving property at 1251 North Broadway that the City acquired in order to prevent the structure from demolition by neglect. The court appointed appraisers awarded the property owner \$8,000 and the property owner appealed.

The property owner has offered to settle this matter for payment of an additional \$2,000 as compensation for the acquisition of his property. Given the risks and costs of litigating this matter through trial, it is likely that it will cost the City more than \$2,000.

Funding for this payment is from the cash reserves and the costs of the acquisition will be recouped by transfer of the property to a developer who will rehabilitate the structure.

Motion --
-- carried

Knight moved that the payment of \$2,000.00, in full settlement of Case No. 03 C 193, be authorized. Motion carried 7 to 0.

PROPERTY ACQ.

ACQUISITION OF THE LEASEHOLD ON 8474 EAST KELLOGG FOR THE EAST KELLOGG IMPROVEMENT PROJECT. (District II)

Agenda Report No. 03-0343

In December 2001, the total acquisitions required for the East Kellogg/Rock Road Improvement Project were released for active acquisition. The City acquired the property at 8474 East Kellogg in March 2001 subject to a long term lease with National Tire and Battery. The site contains approximately 34,110 square feet and is improved with a 11,776 square foot facility. The City paid for and acquired only the owner's interest. NTB has been paying rent since the acquisition. The proposed improvements to Kellogg will encroach into the building itself.

The leasehold interest was appraised for the City at \$1,130,000 and for the tenant at \$1,254,000. The analysis are very similar with minor changes in assumption. The parties have agreed to take the average of the two values, \$1,192,000. The tenant will vacate within six months of closing and will continue to pay rent at the lease rate until vacation. The property will then be demolished in preparation for the highway project.

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 497

The Capital Improvement Program includes funds for acquisitions. The funding source will be local sales tax revenues. A budget of \$1,400,000 is requested. This includes \$1,192,000 for the lease termination, \$190,000 for relocation of furniture, fixtures, and equipment, costs of reestablishment and site search, \$15,000 for demolition, and \$3,000 for closing costs, surveys and title insurance.

Motion --
-- carried

Knight moved that the budget and the lease termination Agreement be approved; and the necessary signatures be authorized. Motion carried 7 to 0.

PROPERTY ACQ.

ACQUISITION OF THE LEASEHOLD ON 8474 EAST KELLOGG FOR THE EAST KELLOGG IMPROVEMENT PROJECT. (District II)

Agenda Report No. 03-0343

In December 2001, the total acquisitions required for the East Kellogg/Rock Road Improvement Project were released for active acquisition. The City acquired the property at 8474 East Kellogg in March 2001 subject to a long term lease with National Tire and Battery. The site contains approximately 34,110 square feet and is improved with a 11,776 square foot facility. The City paid for and acquired only the owner's interest. NTB has been paying rent since the acquisition. The proposed improvements to Kellogg will encroach into the building itself.

The leasehold interest was appraised for the City at \$1,130,000 and for the tenant at \$1,254,000. The analysis are very similar with minor changes in assumption. The parties have agreed to take the average of the two values, \$1,192,000. The tenant will vacate within six months of closing and will continue to pay rent at the lease rate until vacation. The property will then be demolished in preparation for the highway project.

The Capital Improvement Program includes funds for acquisitions. The funding source will be local sales tax revenues. A budget of \$1,400,000 is requested. This includes \$1,192,000 for the lease termination, \$190,000 for relocation of furniture, fixtures, and equipment, costs of reestablishment and site search, \$15,000 for demolition, and \$3,000 for closing costs, surveys and title insurance.

Motion --
-- carried

Knight moved that the budget and the lease termination Agreement be approved; and the necessary signatures be authorized. Motion carried 7 to 0.

(Agenda Item No. 27b)
PROPERTY ACQ.

132 NORTH MOSLEY.

(This Item was pulled from the Agenda)

PROPERTY DISP.

SALE OF SURPLUS PROPERTY LOCATED AT SOUTHEAST CORNER OF 135TH STREET WEST AND 21ST STREET NORTH. (District V)

Agenda Report No. 03-0345

The property under consideration is located on the Southeast Corner of 135th Street West and 21st Street North. The property was originally purchased to be a site for a fire station and the Northwest Main Pump Station. The remainder of the land will not be required. The land available for other use will be approximately 56,798 +/- square feet with an additional area of 37,146+- square feet that is platted for drainage. Zoning for the area will be Light Commercial.

All City departments have been notified and have shown no interest in the property.

The City will receive cash consideration for the sale of the property. The surplus and sale of this property to a private party will place additional value into the tax base.

The City Council has the authority to dispose of surplus property.

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 498

Motion --
-- carried

Knight moved that the property be declared as surplus and designated as being available for sale to the general public. Motion carried 7 to 0.

PROPERTY DISP.

SALE OF SURPLUS PROPERTY LOCATED AT 432-434 SOUTH BELMONT. (District II)

Agenda Report No. 03-0346

The property under consideration is located at 432-434 South Belmont. The property was acquired as part of the Kellogg/Oliver Interchange Project. The improvements were built in 1929 and consist of a 2,388 duplex and detached garage. The site is 7,556+- square feet. Zoning for the property is General Office.

All City departments have been notified and have shown no interest in the property.

The City will receive cash consideration for the sale of the property. The surplus and sale of this property to a private party will place additional value into the tax base.

The City Council has the authority to dispose of surplus property.

Motion --
-- carried

Knight moved that the property be declared as surplus and designated as being available for sale to the general public. Motion carried 7 to 0.

PROPERTY DISP.

SALE OF SURPLUS PROPERTY AT 1137 NORTH BROADWAY. (District VI)

Agenda Report No.03-0347

The property under consideration is located at 1137 North Broadway. The property was originally built in 1900+- as a Single Family Residence and later converted to a combination Antique Store and living quarters. Most recently the property was employed as a halfway house. The property is presently vacant. The improvements consist of a two and a half story home with 3,100+- square feet and a detached 1-car garage. The site is 10,980+- square feet. Zoning for the area is Light Commercial.

All City departments have been notified and have shown no interest in the property.

The City will receive cash consideration for the sale of the property. The surplus and sale of this property to a private party will place additional value into the tax base.

The City Council has the authority to dispose of surplus property.

Motion --
-- carried

Knight moved that the property be declared as surplus and designated as being available for sale to the general public. Motion carried 7 to 0.

ORDINANCES

SECOND READING ORDINANCES: (FIRST READ MARCH 18, 2003)

a) Southwestern Bell Telephone Franchise Agreement.

An Ordinance of the City of Wichita, Kansas, granting to Southwestern Bell Telephone L.P. d/b/a SBC Kansas, a telecommunications local exchange service provider, a Contract Franchise for the providing of local exchange service in the City of Wichita; prescribing the terms of said Grant and relating thereto; and repealing Ordinance No. 43-128, read for the second time. Knight moved that the Ordinance be placed upon its passage and adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gale, Lambke, Martz, Pisciotte, Knight.

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 499

b) Electrical Code Ordinance Changes.

An Ordinance amending Sections 19.08.015, 19.08.061, 19.08.150, 19.08.155, 19.12.010, 19.12.040, 19.12.050, 19.12.090, 19.12.100 and 19.12.120 of the Code of the City of Wichita, Kansas and repealing the originals thereof; creating Section 19.12.180; and repealing Sections 19.08.018, 19.12.060, 19.12.110, 19.12.150, 19.12.170 and 19.12.190; all pertaining to the Electrical Code of the City of Wichita, Kansas, read for the second time. Knight moved that the Ordinance be placed upon its passage and adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gale, Lambke, Martz, Pisciotte, Knight.

c) Public Hearing and Tax Exemption Request – Product Manufacturing Corporation.
(District IV)

An Ordinance exempting property from Ad Valorem Taxation for economic development purposes pursuant to Article II, Section 13, of the Kansas Constitution; providing the terms and conditions for Ad Valorem Tax Exemption; and describing the property of Product Manufacturing Corporation so exempted, read for the second time. Knight moved that the Ordinance be placed upon its passage and adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gale, Lambke, Martz, Pisciotte, Knight.

d) Revised Fee Structure for Street Right-of-Way Permits.

1. An Ordinance amending Section 10.08.180 of the Code of the City of Wichita, Kansas pertaining to the charge for minor street or minor use privilege permits in the City and repealing the original of said Section, read for the second time. Knight moved that the Ordinance be placed upon its passage and adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gale, Lambke, Martz, Pisciotte, Knight.

2. An Ordinance amending Sections 10.12.010, 10.12.030, 10.12.040, 10.12.050, 10.12.060, 10.12.070, 10.12.080, 10.12.110, 10.12.120, 10.12.130, 10.12.140, 10.12.160, 10.12.180 and 10.12.190 of the Code of the City of Wichita, Kansas, pertaining to the construction of all public sidewalks, curbs, gutters and private drive approaches in the City and repealing the originals of said section, read for the second time. Knight moved that the Ordinance be placed upon its passage and adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gale, Lambke, Martz, Pisciotte, Knight.

3. An Ordinance amending sections 10.20.030, 10.20.040; 10.20.050, 10.20.060, 10.20.070, 10.20.080, 10.20.090, 10.20.100, 10.20.150, 10.20.160 and 10.20.170 of the Code of the City of Wichita, Kansas, pertaining to any opening in the surface of a public place made in any manner whatsoever, except an opening into a lawful structure below the surface of a public place, the top of which is flush with the adjoining surface and so constructed as to permit frequent openings without injury or damage to the public place in the City and repealing the originals of said Sections, read for the second time. Knight moved that the Ordinance be placed upon its passage and adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gale, Lambke, Martz, Pisciotte, Knight.

4. An Ordinance amending Section 11.68.150 of the Code of the City of Wichita, Kansas, pertaining to the fee for the hooding of any parking meter in the City and repealing the original of said Section, read for the second time. Knight moved that the Ordinance be placed upon its passage and adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gale, Lambke, Martz, Pisciotte, Knight.

5) An Ordinance amending Section 18.24.040 of the Code of the City of Wichita, Kansas, pertaining o the permit to use streets in the City and repealing the original of said Section, read for the second time. Knight moved that the Ordinance be placed upon its passage and adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gale, Lambke, Martz, Pisciotte, Knight.

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 500

- e) Transient Merchant Ordinance Revisions.

An Ordinance creating Chapter 3.95 of the Code of the City of Wichita, Kansas, pertaining to transient merchants and temporary sales of certain merchandise within the City, and repealing the original of said Chapter 3.95 and also repealing Section 3.08.280 of the City Code, read for the second time. Knight moved that the Ordinance be placed upon its passage and adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gale, Lambke, Martz, Pisciotte, Knight.

- f) ZON2002-52 – west side of Woodlawn, south of 29th Street North. (District II)

An Ordinance changing the zoning classifications or districts of certain lands located in the City of Wichita, Kansas, under the authority granted by the Wichita-Sedgwick County Unified Zoning Code, Section V-C, as adopted by City of Wichita Code Section 28.04.210. ZON 2002-52, read for the second time. Knight moved that the Ordinance be placed upon its passage and adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gale, Lambke, Martz, Pisciotte, Knight.

- g) ZON2003-00001 – South of Second Street North, West of Athenian. (District VI)

An Ordinance changing the zoning classifications or districts of certain lands located in the City of Wichita, Kansas, under the authority granted by the Wichita-Sedgwick County Unified Zoning Code, Section V-C, as adopted by City of Wichita Code Section 28.04.210, read for the second time. Knight moved that the Ordinance be placed upon its passage and adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gale, Lambke, Martz, Pisciotte, Knight. ZON 2003-00001

- h) ZON2003-00002 – northeast corner of Maple and Robin – 254 South Robin. (District V)

An Ordinance changing the zoning classifications or districts of certain lands located in the City of Wichita, Kansas, under the authority granted by the Wichita-Sedgwick County Unified Zoning Code, Section V-C, as adopted by City of Wichita Code Section 28.04.210, read for the second time. Knight moved that the Ordinance be placed upon its passage and adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gale, Lambke, Martz, Pisciotte, Knight. ZON 2003-00002

- i) A03-08 – west of Maize Road, adjacent to Parkdale Street. (District V)

An Ordinance including and incorporating certain blocks, parcels, pieces, and tracts of land within the limits and boundaries of the City of Wichita, Kansas, and relating thereto, read for the second time. Knight moved that the Ordinance be placed upon its passage and adopted. Motion carried 7 to 0. Yeas: Brewer, Fearey, Gale, Lambke, Martz, Pisciotte, Knight. A03-08

AIRPORT AGENDA

AIRPORT

FAA MASTER SITE LEASE SUPPLEMENT.

Agenda Report No. 03-0348

The WAA has entered into Master Site Leases with the FAA for both Mid-Continent and Jabara Airports. These leases identify locations and types of equipment installed, monitored, and maintained by the FAA.

Supplement No. 9 is for use of land by the FAA for the installation, operation, and maintenance of Wind Measuring Equipment Center Field Sensor (formerly the centerfield LLWAS site) at Wichita Mid-Continent Airport. S. A. No. 10 is for use of land by the FAA for the installation, operation, and maintenance of Precision Approach Path Indicator (PAPI) systems for Runways 19L, 32, and 14 at Wichita Mid-Continent Airport.

CITY COUNCIL PROCEEDINGS

JOURNAL 177

MARCH 25, 2003

PAGE 501

There are no monetary considerations.

Motion --
-- carried

Knight moved that the Agreements be approved and the necessary signatures be authorized. Motion carried 7 to 0.

AIRPORT

AIRPORT IMPROVEMENT PROGRAM GRANT APPLICATION.

Agenda Report No. 03-0349

Wichita Mid-Continent Airport is entitled to a portion of Airport Improvement Program (AIP) funding based on its passenger enplanements. The funds must be used for projects that have met eligibility requirements and have been approved by the Federal Aviation Administration.

Staff has prepared a grant application for Terminal Area Planning for submission to the Federal Aviation Administration.

Grant funds are limited to the Terminal Area Planning listed in the application.

The Airport is requesting that \$781,200 be directed for this purpose. Matching funds of 10% will be applied for through the Passenger Facility Charge Program.

The Law Department will certify that the sponsor's acceptance of the Grant offer complies with state and local laws after the date of execution.

Motion --
-- carried

Knight moved that the Grant Application and receipt of funds be approved; and the necessary signatures be authorized. Motion carried 7 to 0.

EXECUTIVE SESSION

Motion --

-- carried

Knight moved that the City Council recess to executive session to consider consultation with legal counsel on matters privileged in the attorney-client relationship relating to potential litigation and legal advice and that the Council return from executive session no earlier than 11:50 a.m. Motion carried 7 to 0.

RECESS

The City Council recessed at 11:30 a.m. and moved into executive session; returned to regular session at 12:05 p.m.

Mayor Knight

Mayor Knight announced that no action was necessary as a result of the executive session.

ADJOURNMENT

The City Council meeting adjourned at 12:05 p.m. a.m.

Pat Graves CMC
City Clerk